

COUNCIL AGENDA: 8-12-08
ITEM: 3.4

Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Katy Allen
Paul Krutko
James Helmer
Peter Jensen
Joseph Horwedel
Jennifer A. Maguire

SUBJECT: SEE BELOW

DATE: July 21, 2008

Approved

Date

7/28/08

COUNCIL DISTRICT: 2, 3, 8
SNI AREA: Edenvale/Great Oaks,
Market Gateway, K.O.N.A., Julian
Stockton

SUBJECT: ADOPTION OF APPROPRIATION ORDINANCE AND FUNDING SOURCES RESOLUTION AMENDMENTS IN THE SERVICES FOR REDEVELOPMENT CAPITAL PROJECTS FUND (CITY-SIDE REDEVELOPMENT FUND) IN THE AMOUNT OF \$3,337,095 FOR 2008-2009 AND ADOPTION OF A RESOLUTION MAKING CERTAIN DETERMINATIONS REGARDING THE EXPENDITURE OF AGENCY FUNDS ON CERTAIN PUBLIC IMPROVEMENTS.

RECOMMENDATION

1. It is recommended that the City Council adopt the following Appropriation Ordinance and Funding Sources Resolution amendments in the Services for Redevelopment Capital Projects Fund (City-side Redevelopment Fund) for 2008-2009:
 - a) Increase Beginning Fund Balance by \$3,322,095.
 - b) Increase the estimate for Earned Revenue by \$15,000.
 - c) Increase the appropriation to the Department of Public Works for the Roundtable Pedestrian Light project (PSM 500, Amendment 1) in the amount of \$322,095.

- d) Establish an appropriation to the Office of Economic Development for the California Theatre Orchestra Side Platforms project (PSM 540) in the amount of \$70,000.
 - e) Establish an appropriation to the Department of Public Works for the Fire Station 2 - Rebuild project (PSM 541) in the amount of \$2,700,000.
 - f) Establish an appropriation to the Department of Transportation for the KONA – Traffic Calming Phase I project (PSM 542) in the amount of \$50,000.
 - g) Increase the appropriation to the Department of Transportation for Additional Contingency Services (PSM 545) in the amount of \$30,000.
 - h) Establish an appropriation to the General Services Department for the Variable Speed Fan Drive Systems at the Tech Museum project (PSM 536) in the amount of \$150,000.
 - i) Increase the appropriation to the Planning, Building and Code Enforcement Department for the California Environmental Quality Act (CEQA) project (PSM 365, Amendment 3) in the amount of \$15,000.
2. It is also recommended that the Council adopt resolutions making certain determinations regarding the related expenditure of Redevelopment Agency funds on certain public improvements in connection with:
- a. the California Theatre Orchestra Side Platforms project as more specifically described in the memorandum from the Redevelopment Agency, dated June 3, 2008 attached hereto;
 - b. the Fire Station 2 - Rebuild project as more specifically described in the memorandum from the Redevelopment Agency, dated June 10, 2008 attached hereto;
 - c. the KONA – Traffic Calming Phase I project as more specifically described in the memorandum from the Redevelopment Agency, dated June 9, 2008 attached hereto;
 - d. the Variable Speed Fan Drive Systems at the Tech Museum project as more specifically described in the memorandum from the Redevelopment Agency, dated May 21, 2008 attached hereto.

HONORABLE MAYOR AND CITY COUNCIL

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OUTCOMES

The City Council's approval of the recommended actions will provide for funding for the improved pedestrian access and beautification of Roundtable Drive in the Edenvale/Great Oaks SNI Redevelopment Area; installation of mechanized side stage platforms at the California Theatre; construction of a new Fire Station to benefit the Alum Rock Business District and surround SNI Redevelopment Areas; traffic calming the KONA SNI Redevelopment Area; additional blight abatement services to be performed by the Department of Transportation, the purchase of variable speed fan drives for the Tech Museum, and CEQA Clearances to be performed by the Department of Planning, Building and Code Enforcement.

BACKGROUND

The San José Redevelopment Agency has requested City services in the implementation of Agency projects. These proposed amendments are necessary to account for City-side expenditures on Redevelopment Agency projects.

ANALYSIS

Roundtable Pedestrian Light

The Roundtable Pedestrian Light project provides funding for the improvement of pedestrian access and beautification of Roundtable Drive in the Edenvale/Great Oaks SNI Redevelopment Area. The project provides 26 new high pressure sodium (HPS) pedestrian lights on Roundtable Drive between Roeder Road and Bendorf Drive. The scope of work involves installation of new pedestrian lights, replacing, rewiring existing electroliers, upgrading luminaries, tree trimming, installing conduits, conductors, aerial power cables, and pull boxes. The project is pursuant to the City's Streetlight Conversion Policy General Plan text amendment, allowing the installation of up to 300 HPS lights along designated Neighborhood Business Districts and Pedestrian Corridors. The Department of Public Works will prepare plans and specifications, provide design review, bid and award, and construction inspection. The source of funding for this project would be a transfer from the Redevelopment Agency in the total amount of \$322,095.

California Theatre Orchestra Side Platforms

The California Theatre Orchestra Side Platforms project provides funding to improve the California Theatre in the Market Gateway SNI Redevelopment area. This project includes the installation of mechanized side stage platforms for the orchestra pit. The improvements will allow Team San Jose to increase the operational functionality of the facility by providing safe mechanical platforms in the orchestra pit for use by arts and cultural groups leasing the facility. The source of funding for this project would be a transfer from the Redevelopment Agency in the total amount of \$70,000.

Fire Station 2 - Rebuild

The Fire Station 2 - Rebuild project provides funding for the replacement and rebuild of an existing fire station, on the same site at 2933 Alum Rock Avenue. The project will demolish the existing facility and build a new station of approximately 12,500 square feet. The two-company, ten bedroom, three-bay apparatus fire station will meet the standard of an Essential Services Facility. The Redevelopment Agency is providing a total of \$2.7 million towards the construction of this project. The Department of Public Works will perform project management, design, code review, bid/award, construction management, and inspection services. The project will also be coordinated with the Fire Department in terms of program elements required for an Essential Services Facility. The source of funding for this project would be a transfer from the Redevelopment Agency in the total amount of \$2,700,000.

KONA – Traffic Calming Phase I

The KONA – Traffic Calming Phase I project provides for implementation of a Neighborhood Traffic Calming project in the KONA SNI Redevelopment Area. The project provides for a temporary traffic circle at Clarice Drive and Quimby Road near KR Smith Elementary School. The traffic circle is being installed to channelize traffic flow and to minimize conflicts at this intersection due to unique geometric conditions. The Department of Transportation will provide design, bid and award, construction and inspection services. The traffic circle will be installed for a trial period of up to six months. DOT will evaluate its effectiveness and obtain community input. Construction of a permanent traffic circle would occur under Phase II for this project. The source of funding for Phase I would be a transfer from the Redevelopment Agency in the total amount of \$50,000.

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Additional Contingency Services

The Additional Contingency Services project provides funding for the Department of Transportation to provide blight abatement services requiring special expert resources or equipment. These services include, but are not limited to, street sweeping, concrete work, lighting installations, curb and street striping, tree pruning, signage installation, maintenance on Agency properties, or special small projects. All additional services shall be requested and approved by the Agency's Property Management Office, in writing, prior to the start of the project. The source of funding for this project would be a transfer from the Redevelopment Agency in the total amount of \$30,000.

Variable Speed Fan Drive Systems at the Tech Museum

The Variable Speed Fan Drive Systems at the Tech Museum project provides funding for the acquisition of two variable speed fan drive units, as well as installation. This purchase will provide energy saving retrofits to the existing air handling units at the Tech Museum of Innovation Facility. The Department of General Services will be responsible for oversight of any work necessary to install the units, including assurance of conformity with prevailing wage requirements. The source of funding for this project would be a transfer from the Redevelopment Agency in the total amount of \$150,000.

California Environmental Quality Act (CEQA) Clearance

The California Environmental Quality Act (CEQA) Clearance project provides funding for the Planning, Building and Code Enforcement Department to pay for CEQA Clearances for Board Reports. Authorization to release the funds shall be approved by Redevelopment Agency staff. The source of funding for this project would be a transfer from the Redevelopment Agency in the total amount of \$15,000.

EVALUATION AND FOLLOW-UP

These projects are currently within budget and on schedule. No additional follow up actions with the Council are expected at this time.

POLICY ALTERNATIVES

Not applicable

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PUBLIC OUTREACH/INTEREST

- ✓ **Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater; **(Required: Website Posting)**
- Criterion 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-Mail Website Posting)**
- Criterion 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

This memorandum is posted on the City's website for the August 12, 2008 Council Agenda.

COORDINATION

This project and memorandum have been coordinated with the City Attorney's Office and the San José Redevelopment Agency.

FISCAL/POLICY ALIGNMENT

These projects are consistent with the Council-approved Budget Strategy to continue with capital improvement projects that keep money flowing to our economy.

COST IMPLICATIONS

1. AMOUNT OF RECOMMENDATION/ COST OF PROJECTS: \$3,337,095
2. SOURCE OF FUNDING: 450 - Services For Redevelopment Capital Projects Fund
3. FISCAL IMPACT: The addition of 26 new high pressure sodium (HPS) pedestrian lights will increase the General Fund on-going costs by approximately \$5,500 per year, which includes electricity, maintenance and repair costs. The Tech Museum variable speed fan drive project is expected to generate energy and maintenance savings of roughly \$25,000 per year. This savings would benefit the Tech Museum.

CEQA

1. Roundtable Pedestrian Light: PPO6-105
2. California Theatre Orchestra Side Platforms: Not a Project
3. Fire Station 2: PP05-220
4. KONA – Traffic Calming Phase I: PP06-171
5. Additional Contingency Services: Not a Project
6. Variable Speed Fan Drive Systems at the Tech Museum: PP08-152
7. California Environmental Quality Act (CEQA) Clearance: Not a Project

HONORABLE MAYOR AND CITY COUNCIL

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Katy Allen
Director, Department of Public Works



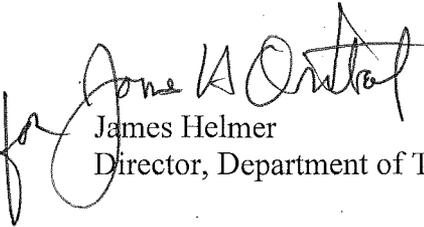
Paul Krutko
Director, Office of Economic
Development



for Peter Jensen
Director, Department of General Services



for Joseph Horwede
Director, Planning, Building and
Code Enforcement Department

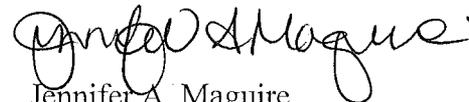


for James Helmer
Director, Department of Transportation



Jennifer A. Maguire
Budget Director

I hereby certify that there will be available for appropriation in the Services for Redevelopment Capital Projects Fund (City-side Redevelopment Capital Fund) in the Fiscal Year 2008-2009 monies in excess of those heretofore appropriated there from, said excess being at least \$3,337,095.



Jennifer A. Maguire
Budget Director

For more information regarding these projects, contact:

Roundtable Pedestrian Light: Greg Jobe, Project Manager, (408) 793-4128

California Theatre Orchestra Side Platforms: Paul Krutko, Director, (408) 535-8182

Fire Station 2 – Rebuild: David Sykes, Assistant Director, (408) 535-8440

KONA – Traffic Calming Phase I: Laura Wells, Deputy Director, (408) 975-3725

Additional Contingency Services: Tom Ferguson, Maintenance Manager, (408) 277-3056

Variable Speed Fan Drive Systems at the Tech Museum: Randal Turner, Deputy Director (408) 975-7280

California Environmental Quality Act (CEQA) Clearance: Jodi Clark, Senior Planner, (408) 535-7818

JM:KL:EB

THE REDEVELOPMENT AGENCY OF THE CITY OF SAN JOSE

MEMORANDUM

TO: KENN LEE CAPITAL BUDGET COORDINATOR	FROM: SHARON JONES SR. PROJECT MANAGER
SUBJECT: SEE BELOW	DATE: JUNE 3, 2008
APPROVED: 	DATE: 6/3/08

SUBJECT: DETERMINATIONS REGARDING FUNDS TRANSFERRED TO
THE CITY FOR PUBLIC IMPROVEMENT PROJECT

The California Theatre opened on September 17, 2004. Since that date, the theatre has been successfully utilized by Opera San Jose, Symphony Silicon Valley and as a venue for other arts and entertainment groups. The facility is operated by Team San Jose.

Agency staff and Team San Jose have identified several projects necessary to improve the utilization of the facility. One such project is the installation of mechanized side stage platforms for the orchestra pit. Funds were placed in the Redevelopment Agency's FY07-08 budget, California Theatre project line for the orchestra side platforms.

Section 33445 of the Redevelopment Law requires the City Council to adopt a resolution making certain determinations with respect to publicly owned improvements funded by the Redevelopment Agency. The required findings are as follows:

1. The improvements will be of benefit to the Market Gateway Redevelopment Project Area by improving the use and operation of a prominent public and cultural facility in the Project Area. The improvements allow Team San Jose to increase the operational functionality of the facility, by providing safe mechanical platforms in the orchestra pit for use by arts and cultural groups leasing the facility. All work will occur within the Redevelopment Project Area.

2. There are no other reasonable means of financing the project. This project is not currently included in the City's Capital Budget.

3. The improvements will assist in the elimination of one or more blighting conditions in the Project Area. The City Council and Agency Board made a formal determination that blight exists in the Project Area prior to the establishment of the Market Gateway Redevelopment Area. The planned improvements allow Team San Jose to safely and efficiently provide work platform areas on each side of the orchestra pit for use by cultural and arts organizations. This will help attract more cultural and arts events and attract more business and visitors to the Project Area. The improvements will contribute to blight elimination by bringing additional people to the Theatre which continues to play a significant role activating the Project Area, and supports restaurants and other cultural and arts venues in the Project Area.

4. The improvements are consistent with the various goals in the five year Agency Implementation Plan, as follows:

Goal: Establish the Downtown as the 24-hour center of urban life and activity.

Objectives:

 - Provide Downtown cultural and entertainment destinations.
 - Promote development in the South First Street area to become a Theater, Arts and Entertainment district.

Goal: Provide new or enhanced cultural, convention, recreational and entertainment facilities.

Objectives:

 - Collaborate with diverse cultural organizations to create facilities supporting their art.

THE REDEVELOPMENT AGENCY OF THE CITY OF SAN JOSE

MEMORANDUM

TO: KENN LEE CAPITAL BUDGET COORDINATOR	FROM: BILL EKERN DIRECTOR OF PROJECT MANAGEMENT
SUBJECT: SEE BELOW	DATE: JUNE 10, 2008
APPROVED:	DATE:

**SUBJECT: DETERMINATIONS REGARDING AGENCY FUNDS
TRANSFERRED TO THE CITY FOR PUBLIC
IMPROVEMENTS**

By Project Services Memorandum the Redevelopment Agency will transfer up to \$2.7M to the City's Department of Public Works for construction of Fire Station #2

Before Redevelopment Agency funds can be used for a publicly owned improvement, the City Council must make certain determinations under Redevelopment Law. The determinations are as follows:

1. That the improvements are of benefit to the project areas.

The construction of a new Fire Station will provide direct benefit to the Alum Rock Business District and the surrounding SNI Project Areas. This improvement not only provides improved public safety for the area, but provides additional space for educational opportunities for youth. Removal of the existing fire house will eliminate physical blight from the project area; providing educational opportunities for youth will assist in the elimination of the blighting conditions caused by gang activity in the project areas.

2. That no other reasonable means of financing the improvements are available to the community.

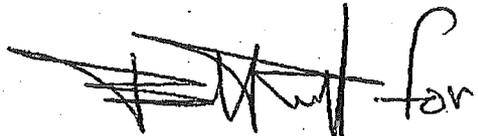
The City has insufficient funds available in its current capital budget for these Public Improvements.

3. That Redevelopment Agency payment for the design will assist in the elimination of blight and the improvements are provided for in the redevelopment plan.

The Redevelopment Agency's Five Year Implementation Plan for neighborhoods outlines a comprehensive program for eliminating blight. The comprehensive program includes streetscapes, landscape upgrades, lighting, new sidewalks, undergrounding of utilities, facade improvements, infill development and provision of parking facilities in the Neighborhood Business Districts. One major blight fighting component is to address blight caused by inadequate public facilities. The provision of a new fire station in the Alum Rock neighborhood will provide the needed public infrastructure to adequately provide fire protection to a wider area of the city in a facility meeting current standards for fire protection. This improvement will not only serve the community better, but will also generate additional interest by the private sector to invest in the neighborhood by rehabilitating existing buildings and developing new buildings in areas where disinvestment has occurred over time due, in part, by the lack of adequate public facilities, including fire protection.

4. The Alum Rock Redevelopment Plan was amended on January 8, 2008, to include specifically the construction of this public facility.

Please proceed to incorporate the necessary findings for the public project identified above into a future City Council memo requesting Adoption of Appropriation Ordinance and Funding Sources Resolution Amendments to the City-side Redevelopment Fund.



BILL EKERN
Director of Project Management

THE REDEVELOPMENT AGENCY OF THE CITY OF SAN JOSE

MEMORANDUM

KENN LEE CAPITAL BUDGET COORDINATOR	Cindy Ho
SEE BELOW	June 9, 2008

SUBJECT: DETERMINATIONS REGARDING FUNDS TRANSFERRED TO THE CITY FOR PUBLIC IMPROVEMENT PROJECT

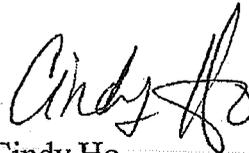
The Agency has transferred \$50,000 to the Department of Transportation for Phase I implementation of the Neighborhood Traffic Calming project in the KONA neighborhood of the Strong Neighborhoods Initiative Redevelopment Project Area. This project includes temporary curbing, lane striping, signs, irrigation modifications, and demolition work including related administration and inspection costs.

Before these funds can be spent by the City, the City Council must make certain determinations under Redevelopment Law, H & S Code Section 33445, regarding the benefit to the project areas. The required findings are as follows:

1. The project includes programming and design, bid and award, and construction and inspection services on Clarice Drive, near Kenesta and KR Smith Elementary School. All work is within the Strong Neighborhoods Initiative Redevelopment Project Area and will benefit the neighborhood by making it more safe, desirable to visit and live.
2. The San Jose Redevelopment Agency is providing a lump sum of \$50,000. This project is not currently included in the City's Capital Budget and there are no other reasonable means of fully financing this project.
3. This project will address traffic calming on Clarice Drive, near Kenesta and KR Smith Elementary School, to improve pedestrian safety and upgrade the street infrastructure to assist in eliminating blight.

4. The implementation plan for the Strong Neighborhoods Initiative Redevelopment Project Area calls for the creation of safer and more attractive streets and public spaces which includes traffic calming.
-

Please proceed to incorporate the necessary findings for the public project identified above into a future City Council memo requesting Adoption of Appropriation Ordinance and Funding Sources Resolution Amendments to the City-side Redevelopment Fund.



Cindy Ho
Project Manager

Attachment

cc: David Baum
Abraham M. Andrade, Jr.
Patty Deignan

THE REDEVELOPMENT AGENCY OF THE CITY OF SAN JOSE

MEMORANDUM

TO: KENN LEE PRINCIPAL BUDGET ANALYST	FROM: BILL EKERN DIRECTOR OF PROJECT MANAGEMENT
SUBJECT: SEE BELOW	DATE: MAY 21, 2008
APPROVED:	DATE:

SUBJECT: DETERMINATIONS REGARDING FUNDS TRANSFERRED TO
THE CITY FOR PUBLIC IMPROVEMENT PROJECT

The Tech Museum of Innovation Improvements Project consists of upgrades to the air handling system and upgrades to the existing urinals at the Tech Museum of Innovation in the Park Center Plaza Redevelopment area. This project will modernize these aspects of the building and provide greater cost efficiencies and lower energy consumption. The Department of General Services will assume responsibility for coordinating these improvements with the Tech Museum and assuring that all applicable codes, public bidding, and prevailing wage requirements are met. Funds were placed in the Redevelopment Agency's FY07-08 budget for improvements to the Tech Museum of Innovation.

Section 33445 of the Redevelopment Law requires the City Council to adopt a resolution making certain determinations with respect to publicly owned improvements funded by the Redevelopment Agency. The required findings are as follows:

1. The public improvements will be of benefit to the Park Center Plaza Redevelopment Project Area.

The Tech Museum of Innovation is in the Park Center Plaza Redevelopment Area. The Park Center Redevelopment Plan anticipates a number of public improvements and the construction of public facilities, including the Tech Museum. Upgrades to the air handling system will enable the Museum to function as a modern building, provide greater cost efficiencies and lower energy consumption, while improving the working conditions of employees and making it a healthier facility. Upgrades to the urinals will reduce water consumption in the facility and improve the environmental impacts of the building.

2. There are no other reasonable means of funding the public improvements.

~~This project is not included in the City's Capital Budget.~~

3. The public improvements will assist in the elimination of one or more blighting conditions in the Project Area.

The City Council and Agency Board made a formal determination that blight exists in the Project Area prior to the establishment of the Park Center Plaza Redevelopment Project Area. Implementation of these improvement programs will reduce the blighting conditions of failing infrastructure. Improvements to the building's infrastructure system will enable the Tech Museum to continue to serve as a focal point for education and visitor attraction in the Downtown.

4. The public improvements are consistent with the adopted Five-Year Implementation Plan for the Redevelopment Project Area.

The Adopted Five-Year Implementation Plan calls for improvements to civic facilities.

Goal: Provide new or enhanced cultural, convention, recreational and entertainment facilities.

Objectives:

- Maintain collaborative efforts with various organizations, such as San Jose State University, San Jose Unified School District, Tech Museum of Innovation, Children's Discovery Museum, the San Jose Museum of Art, and other smaller non-profit arts organizations for the development of new facilities.

Please proceed to incorporate the necessary findings for the public project identified above into a future City Council memo requesting Adoption of Appropriation Ordinance and Funding Sources Resolution Amendments to the City-side Redevelopment Fund.



BILL EKERN
Director of Project Management

Attachment

cc: Tom Murtha
Sandy Shayesteh